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# **PRELIMINARY DRAFT**

## **No. 3082**

**PREPARED BY  
LEGISLATIVE SERVICES AGENCY  
2010 GENERAL ASSEMBLY**

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### **DIGEST**

**Citations Affected:** IC 5-10.2-3-6.5.

**Synopsis:** Withdrawal of annuity savings accounts. Provides that certain members of the public employees' retirement fund (PERF) and the Indiana teachers' retirement fund (TRF) may withdraw the member's annuity savings account (ASA) if the member has separated employment and is not employed in a covered position for 30 days. (Current law provides that certain members must have separated employment and not be in a covered position for 90 days.) Removes the requirement that certain members must be either a member of: (1) PERF after December 31, 2008; or (2) TRF after June 30, 2009, in order to request a distribution from the member's ASA.

**Effective:** Upon passage.



A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 5-10.2-3-6.5, AS AMENDED BY P.L.115-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.5. ~~(a) This section applies:~~

~~(1) after December 31, 2008, to a member of the public employees' retirement fund; and~~

~~(2) after June 30, 2009, to a member of the Indiana state teachers' retirement fund.~~

~~(b)~~ **(a)** A member who meets all of the following requirements may elect to withdraw the entire amount in the member's annuity savings account before the member is eligible to do so at retirement under IC 5-10.2-4-2:

(1) The member has attained vested status in the fund.

(2) The member ~~terminates~~ **has terminated** employment with the applicable fund ~~after the date specified in subsection (a): and is not currently employed in a covered position.~~

(3) The member has not performed any service in a position covered by the fund for at least ~~ninety (90)~~ **thirty (30)** days after the date the member terminates employment.

**(4) The member makes the election described in this subsection:**

**(A) after December 31, 2008, if the member is a member of the public employees' retirement fund; or**

**(B) after June 30, 2009, if the member is a member of the Indiana state teachers' retirement fund.**

**(5) Except as provided in subsection (b), the member is not eligible for a reduced or unreduced retirement on the date the fund receives notice of the election described in this subsection.**

**(b) The requirement described in subsection (a)(5) does not apply to a member of the public employees' retirement fund who was:**



1           **(1) eligible for a reduced or unreduced retirement; and**  
 2           **(2) received a distribution under this section;**  
 3           **after December 31, 2008, and before January 1, 2010.**

4           (c) A member who elects to withdraw the entire amount in the  
 5 member's annuity savings account under subsection ~~(b)~~ **(a)** shall  
 6 provide notice of the election on a form provided by the board.

7           (d) The election to withdraw the entire amount in the member's  
 8 annuity savings account is irrevocable.

9           (e) The board shall pay the amount in the member's annuity savings  
 10 account as a lump sum.

11          (f) Except as provided in subsection (g), a member who makes a  
 12 withdrawal under this section is entitled to receive, when the member  
 13 becomes eligible to receive a retirement benefit under IC 5-10.2-4, a  
 14 retirement benefit equal to the pension provided by employer  
 15 contributions computed under IC 5-10.2-4.

16          (g) A member who:

17           (1) transfers creditable service earned under the fund to another  
 18 governmental retirement plan under section 1(i) of this chapter;  
 19 and

20           (2) withdraws the member's annuity savings account under this  
 21 section to purchase the service;  
 22 may not use the transferred service in the computation of a retirement  
 23 benefit payable under subsection (f).

24           **SECTION 2. An emergency is declared for this act.**

